

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1968 - SB 1687**

March 24, 2011

**SUMMARY OF BILL:** Suspends for five years any annual percentage increase to the minimum compensation for county officials.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Expenditures – \$2,403,200/FY11-12**  
**Local Expenditures – Cost Avoidance – \$2,523,400/FY12-13**  
**\$2,649,500/FY13-14**  
**\$2,782,000/FY14-15**  
**\$2,921,100/FY15-16**

**Assumptions:**

- County official minimum salaries are established pursuant to Tenn. Code Ann. § 8-24-102 and are based on county populations.
- The rate by which county official salaries will increase is unknown but is estimated to be five percent each year.
- Minimum salaries owed to county officials totals \$48,064,330 in FY11-12. Prohibiting an annual percentage increase for five years will result in a decrease to local government expenditures of \$2,403,217 ( $\$48,064,330 \times 5\%$ ).
- It is estimated that minimum compensation would increase five percent each year in the absence of this legislation. As a result, after the first year, there will be a cost avoidance in each of the four remaining years of the salary suspension.
- Minimum salaries owed to county officials totals \$50,467,547 in FY12-13 resulting in cost avoidance to local governments of \$2,523,377 ( $\$50,467,547 \times 5\%$ ).
- Minimum salaries owed to county officials totals \$52,990,924 in FY13-14 resulting in cost avoidance to local governments of \$2,649,546 ( $\$52,990,924 \times 5\%$ ).
- Minimum salaries owed to county officials totals \$55,640,470 in FY14-15 resulting in cost avoidance to local governments of \$2,782,024 ( $\$55,640,470 \times 5\%$ ).
- Minimum salaries owed to county officials totals \$58,422,494 in FY15-16 resulting in cost avoidance to local governments of \$2,921,125 ( $\$58,422,494 \times 5\%$ ).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/agl